

## HISTORY AND CORPORATE DEVELOPMENT

### OVERVIEW

Our history can be traced back to 2018 when the management of Conch Holdings, one of our Controlling Shareholders, saw the development potential of the cement and concrete admixtures market in the PRC. Shandong Hongyi Technology Co., Ltd.\* (山東宏藝科技股份有限公司) (“**Shandong Hongyi**”) was the then largest manufacturer of cement admixtures in the PRC, according to Frost & Sullivan. Leveraging the expertise, well-built brand name and the leading position of Shandong Hongyi, the management of Conch Holdings believed that it would be beneficial to acquire it as the first step to enter into the cement and concrete admixtures market. Therefore, in May 2018, Conch Tech Innovation (an investment holding company wholly-owned by Conch Holdings) entered into a cooperation agreement with Linyi Haihong (an investment holding company controlled by Mr. Zhao, the then controlling shareholder of Shandong Hongyi) to set up a joint venture (i.e. our Predecessor Company) in the PRC to commence our engagement in the businesses of the R&D, production and sales of cement and concrete admixtures and their in-process intermediaries. As at the time of establishment, our Predecessor Company was held as to 70% by Conch Tech Innovation and 30% by Linyi Haihong, which remained as our largest and third largest Shareholders, respectively, as at the Latest Practicable Date. Our Predecessor Company subsequently acquired Shandong Hongyi (currently known as Linyi Conch) and its subsidiary (i.e. Guizhou Conch) in the same year. Immediately prior to the abovementioned acquisitions, our Predecessor Company did not have any business operation.

Shortly after the establishment of our Predecessor Company, in the same year, with a view to build a solid foundation for our Group’s future development, and given that Conch Holdings is a leading player in the cement and concrete market, our Predecessor Company decided to optimise and upgrade our cement and concrete admixture products. Leveraging the strong R&D ability of and the intellectual property rights owned by Xintongling (of which Mr. Feng was the controlling shareholder) in the cement and concrete admixture industry in the PRC, the then management of our Predecessor Company believed that it would be beneficial to cooperate with Xintongling to achieve the above purposes. Hence, in October 2018, our Predecessor Company entered into a cooperation agreement with Hubei Xintongling (an investment holding company set up by Mr. Feng and Mr. Ming Jinlong (“**Mr. Ming**”)) pursuant to which Hubei Xintongling invested into our Predecessor Company to facilitate our subsequent acquisition of Meishan Conch and Xiangyang Conch from Mr. Feng and/or Mr. Ming.

After the above-mentioned acquisitions, leveraging on their production capabilities, business relationships and expertise, we began to engage in the business of the production and sales of cement and concrete admixture industry in the end of 2018. Before these acquisitions, Shandong Hongyi and Xintongling Group did not have any business relationship with our Controlling Shareholders and its subsidiaries and associates.

Subsequently, during the period from 2019 to 2022, our Company established eight subsidiaries with an aim to further expand its business in different areas of the PRC and enlarge its market share in the cement and concrete admixtures market. Under this group structure, our Predecessor Company/ Company has been a headquarter for central management and R&D, while the subsidiaries operate various productions lines across the PRC and act as the sales channels of our Group.

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On 15 July 2022, our Predecessor Company was converted from a limited liability company into our Company as a joint stock company with limited liability, with a new company name of “Anhui Conch Material Technology Co., Ltd. (安徽海螺材料科技股份有限公司)”. For further details in relation to the major changes in share capital and shareholdings and the investors of our Company, see “Corporate Development of our Group — Our Company/Predecessor Company” and “[REDACTED]” below.

### OUR KEY BUSINESS MILESTONES

The following table sets forth our key business development milestones:

Year	Event
2018 . . . . .	<p>Our Predecessor Company was established, which marked the commencement of our businesses in the R&amp;D, production and sales of cement and concrete admixtures</p> <p>We acquired Linyi Conch, Meishan Conch, Xiangyang Conch and Guizhou Conch, which became our subsidiaries, and marked the commencement of our business in the cement and concrete admixtures market</p>
2019 . . . . .	<p>We entered into an investment agreement with the Management Committee of Ningbo Shihua Economic and Technology Development Zone* (寧波石化經濟技術開發區管理委員會) to expand our business in producing raw material of concrete admixtures in Ningbo and further extend our business to the upstream industry by way of establishing Ningbo Conch with Ningbo Industrial Investment Group Co., Ltd. (寧波工業投資集團有限公司)</p> <p>We commenced operation of the technology centre of Conch Technology Platform Company (海螺科技技術中心實驗室) to conduct performance tests of cement and concrete admixtures and research on new technology and product in order to optimise and improve of existing products</p> <p>We were awarded the “New Development Achievement Award in Cement Admixtures Industry” (水泥外加劑行業新發展成就獎) and the “Technology Innovation Award in Cement Admixtures” (水泥外加劑科技創新獎) by the China Cement Association (中國水泥協會)</p>
2020 . . . . .	<p>We established Guigang Conch with TCC (Guigang) Cement Limited (台泥(貴港)水泥有限公司), a wholly-owned subsidiary of Taiwan Cement Corporation (台灣水泥股份有限公司) (the shares of which are listed on Taiwan Stock Exchange (stock code: 1101)) to expand our business to Guangxi Province, the PRC</p>

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Year	Event
	<p>We entered into a corporation agreement with the Dalian University of Technology (大連理工大學) to develop new materials, enhance our ability in R&amp;D and technical innovation, increase our competitiveness and cultivate a high-level R&amp;D team</p> <p>We obtained approval from the Development and Reform Committee of Anhui Province (安徽省發展和改革委員會) to establish the research centre of multifunctional cement energy saving and environmental protection additives of Anhui Province (安徽省多功能水泥節能環保助劑工程研究中心) and the corporate technology centre of Anhui Province (安徽省企業技術中心) to continuously improve our R&amp;D ability and attract more scientific research talents</p>
2021 . . . . .	<p>We entered into a cooperation agreement, with Zhejiang Shangfeng Building Material Co., Ltd. (浙江上峰建材有限公司), a wholly-owned subsidiary of Gansu Shangfeng Cement Co., Ltd. (甘肅上峰水泥股份有限公司) (the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000672)) to enhance the business in Anhui Province, the PRC</p> <p>We were awarded the “Best Supplier in the Cement Industry (cement admixture) in 2021” (2021年水泥行業優秀供應商—水泥外加劑類別) by the China Cement Association (中國水泥協會)</p> <p>We were classified as “Excellent” regarding the operation among certified enterprise technology centre in Anhui Province (省級認定企業技術中心運行評價) conducted by the Department of Economy and Informatisation of Anhui Province (安徽省經濟和信息化廳)</p>
2022 . . . . .	<p>We established Qinghai Conch with Qinghai Huzhu Jinyuan Cement Co., Ltd.* (青海互助金圓水泥有限公司), a non-wholly owned subsidiary of Jinyuan Holdings Group Co., Ltd. (金圓控股集團有限公司), to expand our business to Qinghai Province, the PRC</p> <p>We established Huludao Haizhong with, among others, North Cement Company Limited (北方水泥有限公司), a non-wholly-owned subsidiary of China National Building Material Company Limited* (中國建材股份有限公司) (the shares of which are listed on the Stock Exchange (stock code: 3323)), to expand our business to Liaoning Province, the PRC</p>

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### Year

### Event

We were awarded the “Specialised and New Enterprise Industrial Economy High Quality Development Award in Shandong Province” (山東省省級專精特新企業工業經濟高質量發展獎) by the Department of Industrial and Informatisation of Shandong Province\* (山東省工業和信息化廳)

We were approved by the Department of Human Resources and Social Security of Anhui Province\* (安徽省人力資源和社會保障廳) to establish the postdoctoral research work station of Anhui Province (安徽省博士後科研工作站) to improve our R&D ability and attract more talents

We were awarded the “demonstration unit of green production of Meishan City, the PRC” (中國眉山市綠色生產示範單位) by the Finance Bureau of Meishan City\* (眉山市財政局) and Economic and Information Bureau of Meishan City\* (眉山市經濟和信息化局), and we obtained the certificate of “Green Factory of Building Materials Industry of 2022” (2022年度建材行業綠色工廠) by the China Building Materials Union\* (中國建築材料聯合會)

We were awarded the “Top 100 Most Promising Building Material Companies in China of 2022” (2022中國最具成長性建材企業100強), the “Top 100 Chinese Innovation Building Materials Enterprise in 2022” (2022中國創新建材企業100強) and the “China Harmonious Building Materials Enterprise in 2022” (2022中國和諧建材企業) by the China Building Materials Enterprise Management Association\* (中國建築材料企業管理協會)

## OUR PRINCIPAL SUBSIDIARIES

Our Company is headquartered in Wuhu, Anhui Province, the PRC. After our establishment in 2018, we acquired and established various subsidiaries which were all established in the PRC. The table below sets out our principal subsidiaries and their relevant information:

Name of Company	Date of establishment and commencement of business	Registered Capital (RMB)	Principal business activities or function
Linyi Conch. . . . .	27 May 1999 (acquired by our Group in 2018)	67,000,000	R&D, production and sales of cement admixtures and its in-process intermediaries

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Name of Company	Date of establishment and commencement of business	Registered Capital  (RMB)	Principal business activities or function
Xiangyang Conch .	13 October 2008 (acquired by our Group in 2018)	50,000,000	R&D, production and sales of cement admixtures and its in-process intermediaries, concrete admixtures and polycarboxylic acid mother liquor
Meishan Conch . .	30 July 2018 (acquired by our Group in 2018)	29,000,000	R&D, production and sales of cement admixtures, concrete admixtures and polycarboxylic acid mother liquor
Ningbo Conch . . .	15 July 2019	180,000,000	R&D, production and sales of cement and concrete admixtures and their respective in-process intermediaries
Tongling Conch . .	2 June 2020	30,000,000	R&D, production and sales of cement admixtures, concrete admixtures and polycarboxylic acid mother liquor
Guigang Conch . .	14 August 2020	24,000,000	R&D, production and sales of cement admixtures, concrete admixtures and polycarboxylic acid mother liquor

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### CORPORATE DEVELOPMENT OF OUR GROUP

#### Significant shareholding changes of our Company and our principal subsidiaries

##### *Our Company/Predecessor Company*

##### *1. Incorporation and early shareholding changes of our Predecessor Company*

Our Predecessor Company was established as a limited liability company under the laws of the PRC on 28 May 2018 by Conch Tech Innovation and Linyi Haihong pursuant to a strategic cooperation agreement with an initial registered capital of RMB100,000,000. As at the date of incorporation, our Predecessor Company was held as to 70% by Conch Tech Innovation and 30% by Linyi Haihong, which was then in turn held as to 88% by Mr. Zhao, and 6% by Mr. Ning Jitai (one of our joint company secretaries) and 6% by Mr. Chen Jun (an Independent Third Party save for being a minority shareholder of Linyi Haihong). As at the Latest Practicable Date, Linyi Haihong was held as to 88% by Mr. Zhao, our non-executive Director, and 12% by Mr. Chen Jun.

For the reasons mentioned in the paragraph headed “Overview” above, on 28 October 2018, Conch Tech Innovation, Linyi Haihong and Hubei Xintongling entered into a cooperation agreement, pursuant to which (i) Hubei Xintongling injected into the registered capital of our Predecessor Company a total amount of RMB38,000,000, which was initially determined based on arm’s length negotiation with reference to the then registered capital of our Predecessor Company and an independent valuation report of our Predecessor Company as at 31 August 2018, subject to any adjustment based on further valuation. The final amount of consideration shall be determined with reference to an independent valuation report of our Predecessor Company as at 31 October 2018 according to the cooperation agreement, as such the amount of consideration was subsequently adjusted to RMB39,685,300; and (ii) Linyi Haihong transferred 2% of the equity interest in our Predecessor Company to Hubei Xintongling for a total consideration of RMB2,000,000, which was initially determined based on arm’s length negotiation with reference to the then registered capital of our Predecessor Company and an independent valuation report of our Predecessor Company as at 31 August 2018, subject to any adjustment based on further valuation. The final amount of consideration shall be determined with reference to an independent valuation report of our Predecessor Company as at 31 October 2018 according to the cooperation agreement, as such the final amount of consideration was subsequently adjusted to RMB2,088,700. Both considerations have been fully settled. Immediately upon the completion of the above transfer and investment, our Predecessor Company was held as to approximately 50.72% by Conch Tech Innovation, 28.99% by Hubei Xintongling and 20.29% by Linyi Haihong.

According to the Measures for the Supervision and Administration of the Trading of State-Owned Assets of Enterprises 2016 (《企業國有資產交易監督管理辦法》(2016)), any capital increase of state-owned and state-controlled enterprises, as well as enterprises under de facto control of the state shall be conducted by disclosing information on and soliciting investors through the website of the Equity Exchange Centre, for a time period of not less than 40 working days. However, if there is a need for a state-funded enterprise to establish a strategic partnership or community with common interests

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with a specific investor, and the specific investor participates in a capital increase of the state-funded enterprise or its subsidiaries, the enterprise conducting the capital increase may apply for an exemption from the SASAC of the same level. This exemption allows such capital increase to be exempted from the procedure of disclosing information on and soliciting investors through the website of the Equity Exchange Centre and thus, such capital increase could be done through a mutual agreement between the parties on a non-public basis, subject to the SASAC’s approval (the “**Procedures**”). As confirmed by our Directors, since such capital increase was part of a transaction in which our Predecessor Company integrated the assets relating to cement admixture and concrete admixture controlled by Xintongling, which helped to expand our Group’s presence in cement admixture and concrete admixture market, as well as to promote cooperation in technical aspects, and to achieve synergy with Hubei Xintongling, thus, subject to the SASAC’s approval, our Predecessor Company may apply for the above-mentioned exemption from the SASAC of the People’s Government of Anhui Province for conducting the capital increase on a non-public basis. Due to discrepancies on our understanding of policies and procedures, after conducting internal decision-making, audit, valuation and other procedures, we have filed the transaction with the SASAC of the People’s Government of Anhui Province through its investment management system, but failed to conduct the procedure of disclosing information on and soliciting investors through the website of the Equity Exchange Centre in respect of such transaction as required under the Measures for the Supervision and Administration of the Trading of State-Owned Assets of Enterprises 2016 (《企業國有資產交易監督管理辦法》(2016)). Our PRC Legal Advisers are of the view that, while the above-mentioned capital increase had not been conducted in accordance with the Procedures, such capital increase is a genuine expression of the intention of the relevant parties and such non-conformity with relevant procedures will not constitute a legal obstacle for the [REDACTED], on the following bases: (a) our Predecessor Company has undertaken the relevant internal procedures, including conducting audit and valuation and the filing of the relevant transaction with the SASAC of the People’s Government of Anhui Province as the competent state-owned assets supervision and administration department through its investment management system; (b) Conch Holdings has issued a confirmation confirming, among other things, (i) the validity of such capital increase and (ii) the absence of any behaviour that prejudices the interests of any state-owned shareholders, or results in the loss of state-owned assets; (c) the SASAC of the People’s Government of Anhui Province, as the competent authority, issued a confirmation letter confirming, that based on the information provided by Conch Holdings, the SASAC of the People’s Government of Anhui Province was not aware of any behaviour that would result in the loss of state-owned assets so far; and (d) the SASAC of the People’s Government of Anhui Province has not raised any objection to the validity of such capital increase and the shareholding structure of our Company, nor has it taken any punitive measures against the relevant parties. As at the Latest Practicable Date, the above-mentioned capital increase has not been invalidated due to objections or orders from competent authority for rectification, therefore, the capital increase does not present any legal impediment against the [REDACTED] of our Company.



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### 2. *Conversion into a joint stock company with limited liability*

On 1 July 2022, our then Shareholders resolved at a general meeting to approve the conversion of our Predecessor Company from a limited liability company into a joint stock company with limited liability with its registered capital increased to RMB361,560,000 divided into 361,560,000 Shares of RMB1.00 each. Such conversion was completed on 15 July 2022 with our company’s Chinese name changed from “安徽海螺新材料科技有限公司” to “安徽海螺材料科技股份有限公司”.

The table below sets forth the shareholding structure of our Company immediately following the completion of the conversion into a joint stock company with limited liability and the increase of share capital:

Name of shareholders	Number of Shares held	Percentage of shareholding  (%)
Conch Tech Innovation . . . . .	183,400,000	50.72
Hubei Xintongling . . . . .	104,800,000	28.99
Linyi Haihong . . . . .	73,360,000	20.29
Total . . . . .	<u>361,560,000</u>	<u>100.00</u>

The PRC Legal Advisers confirm that our Company has obtained all necessary approvals and complied with relevant laws and regulations in relation to the conversion.

### 3. **[REDACTED]** and divestment

On 13 January 2023, Conch Tech Innovation, Hubei Xintongling and Linyi Haihong (as original Shareholders), and Anhui Zhongan LP, CCB Financial Asset Investment, Anhui Huiyuan LP, Kegai Ceyuan LP, Wuhu Industrial Fund and Wuhu Longmen LP (as **[REDACTED]**) entered into a capital injection agreement (the “**[REDACTED]** Agreement”), pursuant to which Anhui Zhongan LP, CCB Financial Asset Investment, Anhui Huiyuan LP, Kegai Ceyuan LP, Wuhu Industrial Fund and Wuhu Longmen LP subscribed for 10,000,000, 17,290,000, 12,000,000, 18,070,000, 8,000,000 and 8,000,000 Shares with a consideration of RMB27,657,000, RMB47,818,953, RMB33,188,400, RMB49,976,199, RMB22,125,600 and RMB22,125,600, respectively, which were fully settled on or before 17 January 2023. The amount of contributions were determined through bidding by the **[REDACTED]** through the Equity Trading Centre of Anhui Province (a third party trading platform) with reference to the net asset value of our Company as at 31 May 2022.



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Immediately upon the completion, the total registered capital of our Company amounted to RMB434,920,000 and the shareholding structure of our Company is set out below:

Name of shareholders	Number of Shares held	Percentage of shareholding (%)
Conch Tech Innovation . . . . .	183,400,000	42.17
Hubei Xintongling . . . . .	104,800,000	24.10
Linyi Haihong . . . . .	73,360,000	16.87
Kegai Ceyuan LP . . . . .	18,070,000	4.15
CCB Financial Asset Investment . . . . .	17,290,000	3.97
Anhui Huiyuan LP . . . . .	12,000,000	2.76
Anhui Zhongan LP . . . . .	10,000,000	2.30
Wuhu Industrial Fund . . . . .	8,000,000	1.84
Wuhu Longmen LP . . . . .	8,000,000	1.84
Total . . . . .	<u>434,920,000</u>	<u>100.00</u>

For details of the [REDACTED] and the background of the [REDACTED], see the paragraph headed “[REDACTED]” below.

Due to its own investment arrangement and other commercial reasons, Kegai Ceyuan LP has decided to cease to be a Shareholder. Therefore, on 16 August 2023, Conch Tech Innovation and Kegai Ceyuan LP entered into a share transfer agreement, pursuant to which Kegai Ceyuan LP transferred 4.15% of equity interest in our Company to Conch Tech Innovation for a total consideration of RMB52,149,600, which was determined on arm’s length negotiation with reference to an independent valuation report as at 31 May 2023 and was fully settled on 25 August 2023.

Further, due to its internal investment decision, Anhui Zhongan LP has decided to cease to be a Shareholder of our Company. Therefore, on 16 October 2023, Conch Tech Innovation and Anhui Zhongan LP entered into a share transfer agreement, pursuant to which Anhui Zhongan LP transferred 2.30% equity interest in our Company to Conch Tech Innovation for a total consideration of RMB29,948,036, which was determined on arm’s length negotiation with reference to an independent valuation report as at 31 August 2023 and was fully settled on 16 October 2023.

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Immediately upon the completion of aforesaid equity transfers and up to the Latest Practicable Date, the shareholding structure of our Company is set out below:

Name of shareholders	Number of Shares held	Percentage of shareholding  (%)
Conch Tech Innovation . . . . .	211,470,000	48.62
Hubei Xintongling . . . . .	104,800,000	24.10
Linyi Haihong . . . . .	73,360,000	16.87
CCB Financial Asset Investment . . . . .	17,290,000	3.97
Anhui Huiyuan LP . . . . .	12,000,000	2.76
Wuhu Industrial Fund . . . . .	8,000,000	1.84
Wuhu Longmen LP . . . . .	8,000,000	1.84
Total . . . . .	<u>434,920,000</u>	<u>100.00</u>

### *Linyi Conch*

Linyi Conch was established as a limited liability company under the laws of the PRC on 27 May 1999. It is principally engaged in the R&D, production and sales of cement admixtures and its in-process intermediaries. For the reasons mentioned in the paragraph headed “Overview” above, on 6 June 2018, Shandong Hongli Venture Capital Co., Ltd.\* (山東弘利創業投資有限公司) (“**Shandong Hongli**”) (which was held by two individuals for and on behalf of Mr. Zhao under certain entrustment arrangements)<sup>(Note)</sup>, Mr. Zhao (our non-executive Director) and our Predecessor Company entered into a share transfer agreement (which was supplemented by a supplemental agreement dated 18 September 2018), pursuant to which Shandong Hongli transferred 80% of the total equity interest in Linyi Conch to our Predecessor Company for a total consideration of RMB24,144,260, which was determined on arm’s length negotiation with reference to the net asset value of Linyi Conch as at 31 December 2017 and was fully settled on 20 December 2019.

Immediately upon completion of the acquisition, Linyi Conch was held as to 80% by our Predecessor Company, 12.18% by Shandong Hongli, 3.67% by Shandong Province High Technology Venture Capital Co., Ltd.\* (山東省高新技術創業投資有限公司) and 4.15% by China National Building Material Investment Co., Ltd.\* (中建材投資有限公司), where the minority shareholders are all Independent Third Parties, and Linyi Conch became a subsidiary of our Predecessor Company.

*Note:*

The shares of Linyi Conch held by Shandong Hongli was previously acquired from 33 nominee shareholders, who held these shares for and on behalf of a total of 82 individuals (including these nominee shareholders) under certain entrustment arrangements. As confirmed by our PRC Legal Advisers, the above entrustment arrangements were terminated in 2018 and they would not affect the validity of subsequent acquisitions of equity interests in Linyi Conch by our Predecessor Company.

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After several rounds of acquisitions by our Predecessor Company of the remaining equity interests in Linyi Conch during the period from 2018 to 2021, in February 2021, Linyi Conch became a direct wholly-owned subsidiary of our Predecessor Company.

### *Xiangyang Conch*

Xiangyang Conch was established as a limited liability company under the laws of the PRC on 13 October 2008. It is principally engaged in the R&D, production and sales of cement admixtures and its in-process intermediaries, concrete admixtures and polycarboxylic acid mother liquor. For the reasons mentioned in the paragraph headed “Overview” above, on 25 October 2018, Mr. Feng, Mr. Ming (a minority shareholder of Hubei Xintongling) and our Predecessor Company entered into a share transfer agreement, pursuant to which each of Mr. Feng and Mr. Ming transferred 55% and 45% equity interests in Xiangyang Conch <sup>(Note)</sup> to our Predecessor Company for a total consideration of RMB92,848,464.16, which was determined on arm’s length negotiation with reference to the net asset value of Xiangyang Conch as at 31 August 2018 and was fully settled on 26 November 2019.

Immediately upon completion of the acquisition, Xiangyang Conch became a direct wholly-owned subsidiary of our Predecessor Company.

### *Meishan Conch*

Meishan Conch was established as a limited liability company under the laws of the PRC on 30 July 2018. It is principally engaged in the R&D, production and sales of cement admixtures, concrete admixtures and polycarboxylic acid mother liquor. For the reasons mentioned in the paragraph headed “Overview” above, on 28 October 2018, Xintongling (a company controlled by Mr. Feng), Mr. Feng and our Predecessor Company entered into a share transfer agreement, pursuant to which Xintonglin Group transferred 100% equity interest in Meishan Conch to our Predecessor Company for a total consideration of RMB42,048,948.76, which was determined on arm’s length negotiation with reference to the net asset value of Meishan Conch as at 31 August 2018 and was fully settled on 9 December 2019.

Immediately upon completion of the acquisition, Meishan Conch became a direct wholly-owned subsidiary of our Predecessor Company.

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#### *Note:*

Upon the establishment of Xiangyang Conch and up to August 2014, Mr. Ming Cheng (father of Ming Jinlong) held the equity interests in Xiangyang Conch for and on behalf of Mr. Feng and Mr. Ming as a nominee shareholder under arrangements. As confirmed by our PRC Legal Advisers, the above entrustment arrangements were terminated in 2014 and they would not affect the validity of subsequent acquisition of equity interests in Xiangyang Conch by our Predecessor Company.

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### *Ningbo Conch*

Ningbo Conch was established as a limited liability company under the laws of the PRC on 15 July 2019. It is principally engaged in the R&D, production and sales of cement and concrete admixtures and their respective in-process intermediaries.

Leveraging the business foundation of Ningbo Industrial Investment Group Co., Ltd.\* (寧波工業投資集團有限公司) (“**Ningbo Industrial**”) (an Independent Third Party save for being a substantial shareholder of Ningbo Conch and hence a connected person of our Company after the [REDACTED]) in Ningbo, the PRC, in 15 July 2019, our Predecessor Company and Ningbo Industrial entered into a joint venture agreement, pursuant to which our Predecessor Company and Ningbo Industrial agreed to set up Ningbo Conch with an initial registered capital of RMB180,000,000, and which was held as to 90% by our Predecessor Company and 10% by Ningbo Industrial.

Other material details of abovementioned joint venture arrangement between our Predecessor Company and Ningbo Industrial are set out below:

<b>Capital contributions and percentage interests in Ningbo Conch:</b>	<p>Our Predecessor Company: 90%</p> <p>Ningbo Industrial: 10%</p> <p>Profits to be distributed in accordance with the articles of association of Ningbo Conch</p>
<b>Pre-emption rights:</b>	Both parties are entitled to pre-emption rights
<b>Restriction on sales, assignment or transfer of interest in Ningbo Conch:</b>	Both parties shall not transfer the equity interests held in Ningbo Conch to other third parties (other than their respective related companies) unless mutually agreed
<b>Arrangement regarding the management of business and operation:</b>	Our Predecessor Company is entitled to appoint three directors while Ningbo Industrial is entitled to appoint one director (out of five directors, the remaining one is an employee representative director). Our Predecessor Company is also entitled to nominate all supervisors, the general manager and other senior management members for the approval by the board of directors
<b>Termination:</b>	The joint venture agreement could be terminated under any of these situations: (i) the agreement could not be executed due to force majeure events, resulting in the inability to perform the agreement; (ii) Ningbo Conch could no longer operate; or (iii) mutual agreement

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**Others:** Ningbo Industrial shall not develop nor be engaged in any business which competes with that of Ningbo Conch, unless otherwise agreed by our Predecessor Company in writing

### *Tongling Conch*

On 2 June 2020, our Predecessor Company established Tongling Conch with an initial registered capital of RMB24,000,000. It is principally engaged in the R&D, production and sales of cement admixtures, concrete admixtures and polycarboxylic acid mother liquor.

Zhejiang Shangfeng Building Material Co., Ltd. (浙江上峰建材有限公司) (“**Zhejiang Shangfeng**”) (an Independent Third Party, save for being a substantial shareholder of Tongling Conch and hence a connected person of our Company after the [REDACTED]) is a wholly-owned subsidiary of Gansu Shangfeng Cement Co., Ltd. (甘肅上峰水泥股份有限公司) (the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000672)), which is principally engaged in production and sales of cement and cement clinker. Leveraging the market advantage of Zhejiang Shangfeng, on 26 February 2021, our Predecessor Company and Zhejiang Shangfeng entered into a capital injection and cooperation agreement, pursuant to which Zhejiang Shangfeng subscribed for 20% equity interest in Tongling Conch for a total consideration of RMB6,000,000, which was determined on arm’s length negotiation with reference to the net asset value of Tongling Conch as at 31 January 2021 and was fully settled on 24 March 2021.

According to the Measures for the Supervision and Administration of the Trading of State-Owned Assets of Enterprises 2016 (《企業國有資產交易監督管理辦法》(2016)), any capital increase of state-owned and state-controlled enterprises, as well as enterprises under de facto control of the state shall be conducted by disclosing information on and soliciting investors through the website of the Equity Exchange Centre, for a time period of not less than 40 working days. However, if there is a need for a stated-funded enterprise to establish a strategic partnership or community with common interests with a specific investor, and the specific investor participates in a capital increase of the state-funded enterprise or its subsidiaries, the enterprise conducting the capital increase may apply for an exemption from the SASAC of the same level. This exemption allows such capital increase to be exempted from the procedure of disclosing information on and soliciting investors through the website of the Equity Exchange Centre, and thus, such capital increase could be on a non-public basis. As confirmed by our Directors, since the capital increase was a strategic partnership and cooperation with Zhejiang Shangfeng with specific transaction background, thus, subject to the SASAC’s approval, Tongling Conch may apply for the above-mentioned exemption from SASAC of the People’s Government of Anhui Province for conducting the capital increase on a non-public basis. Due to discrepancies on our understanding of policies and procedures, we have undertaken relevant approval procedures of Conch Holdings, including conducting audit, valuation, filing, and registration of industrial and commercial changes but failed to conduct the procedure of disclosing information on and soliciting investors through the website of the Equity Exchange Centre in respect of such transaction as required under the Measures for the Supervision and Administration of the Trading of State-Owned Assets of Enterprises 2016 (《企業國有資產交易監督管理辦法》(2016)). Our PRC Legal Advisers are of the view that, while the above-mentioned capital increase had not been conducted in accordance with the Procedures, such

## HISTORY AND CORPORATE DEVELOPMENT

capital increase is a genuine expression of the intention of the relevant parties and such non-conformity with relevant procedures will not constitute a legal obstacle for the [REDACTED], on the following bases: (a) Tongling Conch has undertaken the relevant internal procedures, including conducting audit and valuation; (b) Conch Holdings has issued a confirmation confirming, among other things, (i) the validity of such capital increase and (ii) the absence of any behaviour that prejudices the interests of any state-owned shareholders, or results in the loss of state-owned assets; (c) the SASAC of the People’s Government of Anhui Province, as the competent authority, issued a confirmation letter confirming, that based on the information provided by Conch Holdings, the SASAC of the People’s Government of Anhui Province was not aware of any behaviour that would result in the loss of state-owned assets so far; and (d) the SASAC of the People’s Government of Anhui Province has not raised any objection to the validity of such capital increase, nor has it taken any punitive measures against the relevant parties. As at the Latest Practicable Date, the abovementioned capital increase has not been invalidated due to objections or orders from competent authority for rectification, therefore, the capital increase does not present any legal impediment against the [REDACTED] of our Company.

Immediately upon completion of the above transfer, the registered capital of Tongling Conch was increased to RMB30,000,000 and it was held as to 80% by our Predecessor Company and 20% by Zhejiang Shangfeng.

Other material details of abovementioned cooperation arrangement among our Predecessor Company and Zhejiang Shangfeng are set out below:

<b>Capital contributions and percentage interests in Tongling Conch:</b>	<p>Our Predecessor Company: 80%</p> <p>Zhejiang Shangfeng: 20%</p> <p>Profits to be distributed based on the paid-in capital contributions by the parties</p>
<b>Pre-emption rights:</b>	Both parties are entitled to pre-emption rights
<b>Restriction on sales, assignment or transfer of interest in Tongling Conch:</b>	Both parties shall not transfer the equity interests held in Tongling Conch to other third parties (other than their respective related companies) unless mutually agreed
<b>Arrangement regarding the management of the business and operation:</b>	Our Predecessor Company is entitled to appoint four directors and one supervisor, while Zhejiang Shangfeng is entitled to appoint one director and one supervisor (out of five directors and three supervisors, the remaining supervisor is an employee representative supervisor). Our Predecessor Company is also entitled to nominate the general manager and other senior management members for the approval by the board of directors

## HISTORY AND CORPORATE DEVELOPMENT

**Supply arrangement:**

Prior to the operation of Tongling Conch, the cement and concrete corporates under Zhejiang Shangfeng shall give priority to the operating subsidiaries of our Predecessor Company when procuring cement and concrete admixture products based on proximity

Since the commencement of operation of Tongling Conch, the cement and concrete corporates under the related companies of our Predecessor Company in Anhui, Jiangsu and Jiangxi Provinces and the cement and concrete corporates under Zhejiang Shangfeng in Anhui Province shall use the cement and concrete admixture products provided by Tongling Conch. The cement and concrete corporates under Zhejiang Shangfeng outside Anhui Province shall procure cement and concrete admixture products provided from the subsidiaries of our Predecessor Company based on proximity

**Termination:**

The joint venture agreement could be terminated under any of these situations: (i) the agreement could not be executed due to force majeure events, resulting in the inability to perform the agreement; (ii) Tongling Conch could no longer operate; or (iii) mutual agreement

**Others:**

Zhejiang Shangfeng shall not develop nor be engaged in any business which competes with Tongling Conch in PRC

***Guigang Conch***

Guigang Conch was established as a limited liability company under the laws of the PRC on 14 August 2020. It is principally engaged in the R&D, production and sales of cement admixtures, concrete admixtures and polycarboxylic acid mother liquor.

TCC (Guigang) Cement Limited (台泥(貴港)水泥有限公司) (“**TCC Guigang**”, an Independent Third Party, save for being a substantial shareholder of Guigang Conch and hence a connected person of our Company after the [REDACTED]) is an indirect wholly-owned subsidiary of Taiwan Cement Corporation (台灣水泥股份有限公司) (the shares of which are listed on the Taiwan Stock Exchange (stock code: 1101)), which is principally engaged in the production and sales of cement products. Leveraging the market advantage of TCC Guigang, on 8 August 2020, our Predecessor Company, TCC Guigang and TCC International Holdings Ltd. (台泥國際集團有限公司) (“**TCC International**”, the indirect holding company of TCC Guigang) entered into a joint venture agreement, pursuant to which our Predecessor Company and TCC Guigang agreed to set up Guigang Conch with an initial registered capital of RMB24,000,000, which was held as to 60% by our Predecessor Company and 40% by TCC Guigang.



## HISTORY AND CORPORATE DEVELOPMENT

Other details of abovementioned joint venture arrangement among our Predecessor Company, TCC Guigang and TCC International are set out below:

<b>Capital contributions and percentage interests in Guigang Conch:</b>	<p>Our Predecessor Company: 60%</p> <p>TCC Guigang: 40%</p> <p>Profits to be distributed based on the paid-in capital contributions by the parties</p>
<b>Pre-emption rights:</b>	Both parties are entitled to pre-emption rights
<b>Restriction on sales, assignment or transfer of interest in Guigang Conch:</b>	Our Predecessor Company and TCC Guigang shall not transfer the equity interests held in Guigang Conch to other third parties (other than their respective related companies) unless mutually agreed
<b>Arrangement regarding the management of the business and operation:</b>	Our Predecessor Company is entitled to appoint three directors and one supervisor, while TCC Guigang is entitled to appoint two directors and one supervisor (out of five directors and three supervisors, the remaining supervisor is an employee representative supervisor). Our Predecessor Company is also entitled to nominate the general manager and other senior management members for the approval by the board of directors
<b>Supply arrangement:</b>	<p>During the set up period of Guigang Conch, the companies under TCC International in Guangdong, Guangxi and Guizhou Provinces shall give priority to the subsidiaries of our Predecessor Company when procuring cement and concrete admixtures</p> <p>Since the commencement of operation of Guigang Conch, the related companies of our Predecessor Company and the cement corporates under TCC International in Guangdong, Guangxi and Guizhou Provinces shall only use the cement and concrete admixture products provided by Guigang Conch</p>
<b>Termination:</b>	The joint venture agreement could be terminated under any of these situations: (i) the agreement could not be executed due to force majeure events, resulting in the inability to perform the agreement; (ii) Guigang Conch could no longer operate; or (iii) mutual agreement between our Predecessor Company and TCC Guigang

## HISTORY AND CORPORATE DEVELOPMENT

**Others:** All parties shall not develop nor be engaged in any business which competes with that of Guigang Conch in Guangdong, Guangxi and Guizhou Provinces

### MATERIAL ACQUISITION DURING THE TRACK RECORD PERIOD

Our Company has conducted the following acquisition during the Track Record Period.

#### Acquisition of Anhui Haicui

Anhui Haicui is a limited liability company established under the laws of the PRC on 13 August 2021. Immediately prior to the acquisition by our Company, Anhui Haicui was wholly-owned by Anhui Conch Formulation Engineering Technology Co., Ltd.\* (安徽海螺製劑工程技術有限公司) (“**Anhui Formulation Engineering**”), a wholly-owned subsidiary of Conch Tech Innovation, one of our Controlling Shareholders.

Anhui Haicui is principally engaged in the production and sales of grinding aids for quality intelligent monitoring system. On 28 February 2023, Anhui Formulation Engineering and our Company entered into a share transfer agreement, pursuant to which Anhui Formulation Engineering transferred 100% equity interest in Anhui Haicui to our Company at a total consideration of RMB15,508,950.3, which was determined on arm’s length negotiation with reference to the valuation of the total shareholders’ equity of Anhui Haicui as at 31 October 2022 and was fully settled on 30 June 2023.

Immediately upon completion of the acquisition which was properly and legally completed and settled, Anhui Haicui became a direct wholly-owned subsidiary of our Company.

#### Huludao Haizhong

Huludao Haizhong is a limited liability company established under the laws of the PRC on 10 October 2022. It is principally engaged in the sales of cement and concrete admixtures. Immediately prior to the further acquisition of equity interest by our Company in 2023, Huludao Haizhong was a 51%-held subsidiary of our Company. The remaining equity interest was held as to 30% by North Cement Company Limited (北方水泥有限公司) (“**North Cement**”) and 19% by Hainan Qingyuan Corporate Management Centre (Limited Partnership)\* (“**Hainan Qingyuan**”) (海南清源企業管理中心(有限合夥)), both being Independent Third Parties.

Due to the needs of fund of Hainan Qingyuan and for the purpose of capital realisation, on 31 July 2023, Hainan Qingyuan and our Company entered into a share transfer agreement, pursuant to which Hainan Qingyuan transferred 17% equity interest in Huludao Haizhong to our Company at a total consideration of RMB4,250,000, which was determined on arm’s length negotiation with reference to the valuation of the total shareholders’ equity of Huludao Haizhong as at 15 June 2023 and was fully settled on 5 September 2023.

## **HISTORY AND CORPORATE DEVELOPMENT**

Immediately upon completion of the acquisition, Huludao Haizhong was held as to 68% by our Company, 30 % by North Cement and 2% by Hainan Qingyuan.

None of the applicable percentage ratios as defined under the Listing Rules in respect of the acquisition of Anhui Haicui and Huludao Haizhong exceed 25% which would require disclosure pursuant to Rule 4.05A of the Listing Rules. Save as disclosed above, there has been no material disposals or mergers undertaken by our Group during the Track Record Period and up to the Latest Practicable Date.

### **DEREGISTRATION OF OUR SUBSIDIARY**

#### **Deregistration of Guizhou Conch**

Guizhou Conch was established as a limited liability company under the laws of the PRC on 5 July 2013. Immediately prior to its deregistration, Guizhou Conch was a direct wholly-owned subsidiary of our Company and was principally engaged in the R&D, production and sales of cement admixtures.

For the purpose of strengthening corporate management and better overall resources planning in the sales of cement and concrete admixtures market in Guizhou, we deregistered Guizhou Conch on 23 November 2023. The business of Guizhou Conch had already been transferred to Guigang Conch Guizhou Branch. To the best information and knowledge of our Directors, and advised by our PRC Legal Advisers, Guizhou Conch was not involved in any pending material claims, litigations or administrative penalty in relation to non-compliances occurred during the Track Record Period and up to the date of its deregistration. In addition, our Directors confirm that the deregistration of Guizhou Conch had no material impact on our Group’s financial performance, financial position and cash flows during the Track Record Period.

## HISTORY AND CORPORATE DEVELOPMENT

[REDACTED]

### Overview

In 2023, we introduced six [REDACTED] as our Shareholders pursuant to the [REDACTED] Agreement, which subscribed for a total of 73,360,000 Shares. Details of the transactions of the [REDACTED] are set out as follows:

Name of Investor	Date of agreement	Number of Shares subscribed	Amount of consideration/ capital paid	Date of payment in full	Approximate Cost per Share	[REDACTED] the [REDACTED] (Note 1, 2)	Total % of shareholding in our Company immediately after the [REDACTED]
							(%)
Kegai Ceyuan LP . . . . .	13 January 2023	18,070,000	49,976,199	17 January 2023	2.77	[REDACTED]	[REDACTED] <sup>(Note 3)</sup>
CCB Financial Asset Investment . . . . .	13 January 2023	17,290,000	47,818,953	17 January 2023	2.77	[REDACTED]	[REDACTED]
Anhui Huiyuan LP . . . . .	13 January 2023	12,000,000	33,188,400	16 January 2023	2.77	[REDACTED]	[REDACTED]
Anhui Zhongan LP . . . . .	13 January 2023	10,000,000	27,657,000	16 January 2023	2.77	[REDACTED]	[REDACTED] <sup>(Note 4)</sup>
Wuhu Longmen LP . . . . .	13 January 2023	8,000,000	22,125,600	16 January 2023	2.77	[REDACTED]	[REDACTED]
Wuhu Industrial Fund. . . . .	13 January 2023	8,000,000	22,125,600	17 January 2023	2.77	[REDACTED]	[REDACTED]

#### Notes:

1. Assuming the [REDACTED] is fixed at HK\$[REDACTED], being the mid-point of the indicative [REDACTED] Range, and assuming no exercise of the [REDACTED].
2. The [REDACTED] to the [REDACTED] is calculated by comparing the approximate cost per Share paid by the [REDACTED] and the [REDACTED] at the exchange rate of RMB0.92373 = HKD1.00.
3. Kegai Ceyuan LP ceased to be a Shareholder pursuant to the equity transfer agreement dated 16 August 2023. For details, see “Corporate Development of our Group — Significant shareholding changes of our Company and our principal subsidiaries — Our Company/Predecessor Company — 3. [REDACTED] and divestment” above.
4. Anhui Zhongan LP ceased to be a Shareholder pursuant to the equity transfer agreement dated 16 October 2023. For details, see “Corporate Development of our Group — Significant shareholding changes of our Company and our principal subsidiaries — Our Company/Predecessor Company — 3. [REDACTED] and divestment” above.

## HISTORY AND CORPORATE DEVELOPMENT

Below set forth further information about the [REDACTED]:

**Basis of determination of the relevant consideration:**

The consideration was determined through bidding by the [REDACTED] through the Equity Trading Centre of Anhui Province (a third party trading platform) with reference to the net asset value of our Company as at 31 May 2022

**[REDACTED] from the [REDACTED] Investments:**

As at the Latest Practicable Date, all [REDACTED] from the [REDACTED] had been utilised for general working capital and repayment of bank loans

**Strategic benefits of [REDACTED] brought to our Company:**

Our then Directors were of the view that the [REDACTED] had provided additional working capital to our Group and thereby enhanced the capital structure of our Group. Further, given that the [REDACTED] are well-known corporations with significant expertise in investment and corporate management, our Group could also benefit from their advice for our continued growth as well as their support to our Group as an endorsement of our Group’s position as a provider of cement admixture and concrete admixture with attractive growth potential

**Lock-up**

One year commencing from the [REDACTED] (*Note*)

**Special rights of the [REDACTED]**

None

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*Note:*

There is no lock-up period set out in the [REDACTED] Agreement. Nonetheless, as advised by our PRC Legal Advisers, the Shares held by the [REDACTED] are subject to a lock-up of one year commencing from the [REDACTED] under the relevant PRC laws and regulations.

**Information of [REDACTED]**

To the best information and knowledge of our Directors, set out below are descriptions of the [REDACTED] as at the Latest Practicable Date.

**Kegai Ceyuan LP**

Kegai Ceyuan LP is a limited partnership established under the laws of the PRC on 6 July 2021, which is principally engaged in private equity fund investment.

## HISTORY AND CORPORATE DEVELOPMENT

Kegai Ceyuan is held as to approximately 0.07% by Guogai Technology Fund Management Limited Company\* (國改科技基金管理有限公司) (“**Guogai Technology Fund**”) (the general partner), and approximately 99.60% by Guogai Technology Fund Partnership (Limited Partnership)\* (國改科技基金合夥企業(有限合夥)) (“**Guogai Technology Fund LP**”) and 0.33% by Hangzhou Xinchunhua Equity Investment Partnership (Limited Partnership)\* (杭州新春華股權投資合夥企業(有限合夥)) (“**Hangzhou Xinchunhua LP**”) (the limited partners). Guogai Technology Fund is a company established under the laws of the PRC on 31 December 2020, which is principally engaged in equity investment management and, to the best knowledge of our Directors, Guogai Technology Fund is ultimately controlled by the State Council of the PRC. To the best knowledge of our Directors, (i) Guogai Technology Fund LP is ultimately controlled by the State Council of the PRC; and (ii) Hangzhou Xinchunhua LP is ultimately controlled by Dai Yusi (戴育四), an Independent Third Party.

Kegai Ceyuan LP ceased to be a Shareholder on 16 August 2023. For details, see “Corporate Development of our Group — Significant shareholding changes of our Company and our principal subsidiaries — Our Company/Predecessor Company — 3. [REDACTED] and divestment” above.

### CCB Financial Asset Investment

CCB Financial Asset Investment is a limited liability company established under the laws of the PRC on 26 July 2017, which is principally engaged in non-banking financial activities. It is directly wholly-owned by China Construction Bank Corporation (中國建設銀行股份有限公司) (the shares of which are listed on the Shanghai Stock Exchange (stock code: 601939) and the Stock Exchange (stock code: 00939)), which is principally engaged in the provision of financial services, including corporate finance services, personal finance business and treasury and asset management business. To the best knowledge of our Directors, China Construction Bank Corporation is an Independent Third Party. CCB Financial Asset Investment has nominated Mr. Fan Haibin (“**Mr. Fan**”) to our Board as a non-executive Director. For Mr. Fan’s biography, see “Directors, Supervisors and Senior Management” in this document.

### Anhui Huiyuan LP

Anhui Huiyuan LP is a limited partnership established under the laws of the PRC on 8 August 2022, which is principally engaged in private equity fund investment and asset management.

Anhui Huiyuan is held as to approximately 16.67% by Guoyuan Equity Investment Co., Ltd. (國元股權投資有限公司) (“**Guoyuan Equity Investment**”) (the general partner), and approximately 33.32% by Corporate Reform Development Fund of Anhui Province\* (安徽省屬企業改革發展基金合夥企業(有限合夥)) (“**Anhui Corporate Reform Development Fund**”), 16.67% by Anhui Yuanjiang Industrial Development Investment Fund Partnership (Limited Partnership)\* (安徽援疆產業發展投資基金合夥企業(有限合夥)) (“**Anhui Yuanjiang Fund**”), 16.67% by Wuhu High-Tech Industry Development Fund Co., Ltd.\* (蕪湖高新產業發展基金有限公司) (“**Wuhu High-Tech Fund**”) and 16.67% by Wuhu Jiangrui Investment Management Co., Ltd.\* (蕪湖江瑞投資管理有限公司) (“**Wuhu Jiangrui**”) (the limited partners). Guoyuan Equity Investment is a company established under the laws of the PRC on 18 August 2009, which is principally engaged in equity investments and, to the best

## HISTORY AND CORPORATE DEVELOPMENT

knowledge of our Directors, Guoyuan Equity Investment is wholly-owned by Guoyuan Securities Co., Ltd. (國元證券股份有限公司), a company established under the laws of the PRC on 6 June 1997 (the shares of which are listed on the Shenzhen Stock Exchange (with stock code: 000728), which is in turn ultimately controlled by the SASAC of the People’s Government of Anhui Province. To the best knowledge of our Directors, (i) Anhui Corporate Reform Development Fund is ultimately controlled by the SASAC of the People’s Government of Anhui Province; (ii) Anhui Yuanjiang Fund is controlled by Guoyuan Equity Investment; (iii) Wuhu High-Tech Fund is ultimately controlled by the Management Committee of High-Tech Industrial Development Zone of Wuhu City; and (iv) Wuhu Jiangrui is ultimately controlled by the SASAC of Wuhu City.

### Anhui Zhongan LP

Anhui Zhongan LP is a limited partnership established under the laws of the PRC on 29 June 2022, which is principally engaged in investment activities.

Anhui Zhongan LP is held as to approximately 1.00% by Anhui Wantou Taixin Start-up Investment Fund Management Co., Ltd.\* (安徽皖投泰信創業投資基金管理有限公司) (“**Anhui Wantou Taixin**”) (the general partner) and 49.00% by Jiaxing Taixinhengyuan Equity Investment Partnership (Limited Partnership)\* (嘉興泰信珩源股權投資合夥企業(有限合夥)) (“**Jiaxing Taixin Hengyuan LP**”), 20.00% by Anhui Qudao Enterprise Management Consulting Co. Ltd\* (安徽曲道企業管理諮詢有限公司) (“**Anhui Qudao**”), 10.00% by Quanjiao Chuangshi Private Equity Fund Management Co., Ltd.\* (全椒創石私募股權基金管理有限公司) (“**Quanjiao Chuangshi**”), 10.00% by Anhui Huichuang Corporate Management Development Co., Ltd.\* (安徽徽創企業管理發展有限公司) (“**Anhui Huichuang**”), 6.00% by Anhui Wuxing Corporate Management Co., Ltd.\* (安徽五興企業管理有限公司) (“**Anhui Wuxing**”) and 4.00% by Anhui Shencheng Investment Co., Ltd.\* (安徽紳城投資有限公司) (“**Anhui Shencheng**”) (the limited partners). Anhui Wantou Taixin is a company established under the laws of the PRC on 2 March 2021, which is principally engaged in investment fund management and, to the best knowledge of our Directors, Anhui Wantou Taixin is ultimately controlled by the SASAC of the People’s Government of Anhui Province. To the best knowledge of our Directors, (i) Jiaxing Taixin Hengyuan LP is controlled by Anhui Wantou Taixin; (ii) Anhui Qudao is controlled by Zhang Rongzhen (張榮珍), an Independent Third Party; (iii) Quanjiao Chuangshi is ultimately controlled by the Finance Bureau of Quanjiao County; (iv) Anhui Huichuang is controlled by Zhu Hongdong (朱洪冬), an Independent Third Party; (v) Anhui Wuxing is ultimately controlled by Gong Jun (龔俊), an Independent Third Party; and (vi) Anhui Shencheng is controlled by Wang Xiaolin (王小林), an Independent Third Party.

Anhui Zhongan LP ceased to be a Shareholder on 16 October 2023. For details, see “Corporate Development of our Group — Significant shareholding changes of our Company and our principal subsidiaries — Our Company/Predecessor Company — 3. [REDACTED] and Divestment” above.

### Wuhu Industrial Fund

Wuhu Industrial Fund is a company established under the laws of the PRC on 16 June 2017, which is principally engaged in investment activities.



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Wuhu Industrial Fund is wholly owned by Wuhu Yuanda Start-up Investment Co., Ltd.\* (蕪湖遠大創業投資有限公司) (“**Wuhu Yuanda**”), a company established under the laws of the PRC on 23 April 2009 which is principally engaged in equity investment in High-Tech Industry. Wuhu Yuanda is ultimately controlled by the SASAC of Wuhu City.

### Wuhu Longmen LP

Wuhu Longmen LP is a limited partnership established under the laws of the PRC on 23 August 2022, focusing on equity investment and asset management.

Wuhu Longmen LP is held as to approximately 1.00% by Wuhu Hongtai Zhixin Investment Co., Ltd.\* (蕪湖市洪泰智信投資有限公司) (“**Wuhu Hongtai Zhixin**”) (the general partner) and 24.00% by Wuhu Industrial Fund, 15.00% by Wuhu Jiangrui, 13.00% by Wuhu Fanchang Chungu Industrial Investment Fund Co., Ltd.\* (蕪湖市繁昌春穀產業投資基金有限公司) (“**Wuhu Fanchang Chungu**”), 6.00% by Wuhu Yinhu Industrial Co., Ltd.\* (蕪湖銀湖實業有限公司) (“**Wuhu Yinhu**”), 6.00% by Wuhu Xinwu Industrial Investment Fund Co., Ltd.\* (蕪湖市新蕪產業投資基金有限公司) (“**New Wuhu Industrial Fund**”), 6.00% by Wuhu Jiuchuang Investment Fund Co., Ltd.\* (蕪湖市鳩創投資基金有限公司) (“**Wuhu Jiuchuang Fund**”), 6.00% by Wuhu High-Tech Industry Development Fund Co., Ltd.\* (蕪湖高新產業發展基金有限公司) (“**Wuhu High-Tech Fund**”), 5.00% by Wuhu Qianwan Group Co., Ltd.\* (蕪湖前灣集團有限公司) (“**Wuhu Qianwan**”), 5.00% by Wuhu Sanshan Hongyuan Investment Guiding Fund Management Co., Ltd.\* (蕪湖三山泓遠投資引導基金管理有限公司) (“**Wuhu Sanshan Hongyuan**”), 5.00% by Nanling Huier Investment Fund Co., Ltd.\* (南陵惠爾投資基金有限公司) (“**Nanling Huier Fund**”), 4.00% by Wuhu Jinghu Zhenye Investment Fund Co., Ltd.\* (蕪湖市鏡湖振業投資基金有限公司) (“**Wuhu Jinghu Zhenye Fund**”) and 4.00% by Wuwei Industrial Guiding Investment Co., Ltd.\* (無為市產業引導投資有限公司) (“**Wuwei Industrial Guiding Investment**”) (the limited partners). Wuhu Hongtai Zhixin is a company established under the laws of the PRC on 14 March 2022, which is principally engaged in investment activities and, to the best knowledge of our Directors, Wuhu Hongtai Zhixin is ultimately controlled by Sheng Xitai (盛希泰), an Independent Third Party. To the best knowledge of our Directors, (i) Wuhu Fanchang Chungu is ultimately controlled by the SASAC of Fanchang District of Wuhu City; (ii) Wuhu Yinhu is ultimately controlled by the Management Committee of Economic and Technology Development Zone of Wuhu City; (iii) New Wuhu Industrial Fund is controlled by the Finance Bureau of Wanzhi District of Wuhu City; (iv) Wuhu Jiuchuang Fund is ultimately controlled by the SASAC of Jiujiang District of Wuhu City; (v) Wuhu High-Tech Fund is ultimately controlled by the Management Committee of High-Tech Industrial Development Zone of Wuhu City; (vi) Wuhu Qianwan is controlled by the Management Committee of Wanjiang Jiangbei Emerging Industrial Concentration Zone; (vii) Wuhu Sanshan Hongyuan is ultimately controlled by the Management Committee of Sanshan Economic Development Zone of Wuhu City (the Management Committee of Yangtze River Bridge Comprehensive Economic Development Zone of Wuhu City); (viii) Nanling Huier Fund is controlled by the SASAC of Nanling County; (ix) Wuhu Jinghu Zhenye Fund is controlled by the SASAC of Jinghu District; and (x) Wuwei Industrial Guiding Investment is ultimately controlled by SASAC of Wuwei City.

## HISTORY AND CORPORATE DEVELOPMENT

### GENERAL

Our PRC Legal Advisers confirmed that, in relation to all the acquisitions and disposals mentioned in this section, as at the Latest Practicable Date, (i) all equity and share transfers had been legally completed and settled; (ii) all the provisions of the relevant PRC laws and regulation have been complied with in all material respects by our Group; and (iii) our Group had obtained all necessary approvals from the relevant authorities in the PRC under the relevant PRC laws and regulations.

#### Sole Sponsor’s confirmation

On the basis that the consideration for the [REDACTED] was settled more than 28 clear days before the date of our first submission of the [REDACTED], to the [REDACTED] Division of the Stock Exchange in relation to the [REDACTED], the Sole Sponsor has confirmed that the [REDACTED] are in compliance with the Chapter 4.2 under the Guide for New Listing Applicants published by the Stock Exchange.

### CAPITALISATION

Our Company has applied for H-share full circulation to convert certain of the Unlisted Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of Unlisted Shares into H Shares will involve an aggregate of [REDACTED] Unlisted Shares held by six existing Shareholders, representing approximately [REDACTED]% of total issued Share capital of our Company upon completion of the conversion of Unlisted Shares into H Shares and the [REDACTED] (assuming no exercise of the [REDACTED]). Save as disclosed in this document and to the best knowledge of our Directors, we are not aware of the intention of any existing Shareholders to convert their Unlisted Shares. For further details, see “Share Capital” in this document.

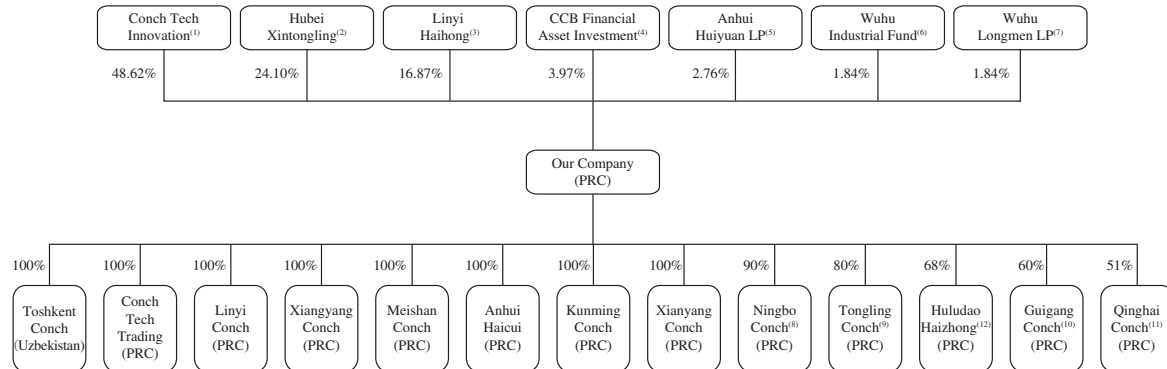
#### Public Float

Immediately upon the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised), there will be [REDACTED] Shares in our total issued share capital. Since (i) Kegai Ceyuan LP and Anhui Zhongan LP have already ceased to be our Shareholders; (ii) Anhui Huiyuan LP and Wuhu Industrial Fund are, to the best knowledge of our Directors, ultimately controlled by the SASAC of the People’s Government of Anhui Province and the SASAC of Wuhu City respectively as abovementioned, and hence they are close associates of these governmental bodies and our core connected persons; (iii) over 90% of the partnership interest of Wuhu Longmen LP, which are held by the limited partners, are directly or indirectly funded by the SASAC of Wuhu City or other governmental authorities in Anhui Province; and (iv) Conch Tech Innovation, Hubei Xintongling and Linyi Haihong are our Controlling Shareholder or substantial shareholders (as the case may be), and hence our core connected persons, the Shares of the aforementioned entities will not be counted towards the public float of our Company for the purpose of Rule 8.08 of the Listing Rules. As a result, an aggregate of [REDACTED] Shares, representing approximately 25.00% of our total issued Shares, will be counted towards the public float. As such, our Directors are of the view that our Company will be able to satisfy the public float requirement under Rule 8.08 of the Listing Rules.

## HISTORY AND CORPORATE DEVELOPMENT

### OUR STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth our shareholding and group structure immediately prior to the [REDACTED]:



#### Notes:

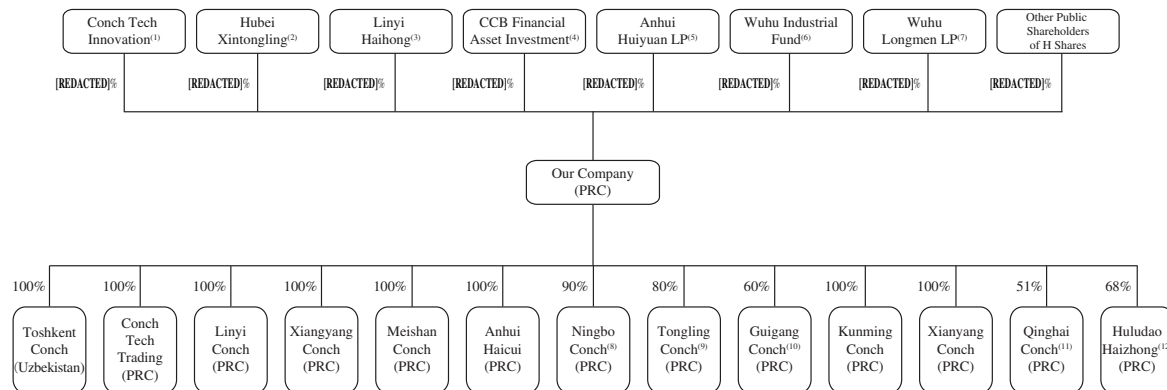
- As at the Latest Practicable Date, Conch Tech Innovation was wholly-owned by Conch Holdings, which was in turn held as to 51% by Anhui Investment Group and 49% by Wuhu Conch Venture, an Independent Third Party. Anhui Investment Group was wholly-owned by the SASAC of the People’s Government of Anhui Province (安徽省人民政府國有資產監督管理委員會), while Wuhu Conch Venture was wholly-owned by China Conch Venture Holdings Limited (the shares of which are listed on the Stock Exchange (stock code: 586)).
- As at the Latest Practicable Date, Hubei Xintongling was held as to 60% by Mr. Feng and 40% by Mr. Ming.
- As at the Latest Practicable Date, Linyi Haihong was held as to 88% by Mr. Zhao and 12% by Mr. Chen Jun.
- For the background of CCB Financial Asset Investment, see “[REDACTED] — Information of [REDACTED] — CCB Financial Asset Investment” above.
- For the background of Anhui Huiyuan LP, see “[REDACTED] — Information of [REDACTED] — Anhui Huiyuan LP” above.
- For the background of Wuhu Industrial Fund, see “[REDACTED] — Information of [REDACTED] — Wuhu Industrial Fund” above.
- For the background of Wuhu Longmen LP, see “[REDACTED] — Information of [REDACTED] — Wuhu Longmen LP” above.
- As at the Latest Practicable Date, Ningbo Conch was held as to 90% by our Company and 10% by Ningbo Industrial. Hence, Ningbo Industrial is a connected person of our Company by virtue of its equity interest held in Ningbo Conch.
- As at the Latest Practicable Date, Tongling Conch was held as to 80% by our Company and 20% by Zhejiang Shangfeng. Hence, Zhejiang Shangfeng is a connected person of our Company by virtue of its equity interest held in Tongling Conch.
- As at the Latest Practicable Date, (i) Guigang Conch had set up Guigang Conch Guizhou Branch to take up the business of Guizhou Conch after its deregistration; and (ii) Guigang Conch was held as to 60% by our Company and 40% by TCC Guigang. Hence, TCC Guigang is a connected person of our Company by virtue of its equity interest held in Guigang Conch.

## HISTORY AND CORPORATE DEVELOPMENT

11. As at the Latest Practicable Date, Qinghai Conch was held as to 51% by our Company and 49% by Qinghai Huzhu Jinyuan Cement Co., Ltd.\* (青海互助金圓水泥有限公司). Based on the latest management accounts of Qinghai Conch, it is an insignificant subsidiary of our Company as defined under Rule 14A.09(1) of the Listing Rules. Hence, despite the fact that Qinghai Huzhu Jinyuan Cement Co., Ltd., is a substantial shareholder of Qinghai Conch, it is an Independent Third Party and not regarded as a connected person for the purpose of Chapter 14A of the Listing Rules.
12. As at the Latest Practicable Date, Huludao Haizhong was held as to 68% by our Company, 30% by North Cement and 2% by Hainan Qingyuan. Based on the latest management accounts of Huludao Haizhong, it is an insignificant subsidiary of our Company as defined under Rule 14A.09(1) of the Listing Rules. Hence, despite the fact that North Cement is a substantial shareholder of Huludao Haizhong, it is an Independent Third Party and not regarded as a connected person for the purpose of Chapter 14A of the Listing Rules.

### OUR STRUCTURE IMMEDIATELY FOLLOWING TO THE [REDACTED]

The following chart sets forth our shareholding and group structure immediately following completion of the [REDACTED] (assuming no exercise of the [REDACTED]):



#### Notes:

1. See note (1) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
2. See note (2) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
3. See note (3) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
4. See note (4) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
5. See note (5) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
6. See note (6) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
7. See note (7) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
8. See note (8) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
9. See note (9) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
10. See note (10) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
11. See note (11) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.
12. See note (12) as set forth in the paragraph headed “Our Structure Immediately Prior to the [REDACTED]” above.